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# ORIGINAL

Arizona Corporation Commission

FEB 20 2008

AZ CORP COMMISSION  
DOCKET CONTROL

DOCKETED BY

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IN THE MATTER OF THE APPLICATION OF  
LITTLE PARK WATER COMPANY INC. FOR  
AN EXTENSION OF ITS CERTIFICATE OF  
CONVENIENCE AND NECESSITY TO  
PROVIDE WATER SERVICE IN YAVAPAI  
COUNTY, ARIZONA

## EXCEPTIONS TO RECOMMENDED OPINION AND ORDER

A. May 1, 2008 ADEQ Arsenic Treatment Plant in-service date exemption. As the record reflects, the Company is committed to the installation of the Arsenic Treatment Plants (the “ATP’s”). However, the Company was unable to complete that construction by the federally mandated in-service date. Hence, the arsenic exemption application. The obtaining of the arsenic exemption, permits and approvals discussed in this case are complex processes, much of the timing of which is not under the control of the Company. The Arizona Department of Environmental Quality’s (“ADEQ’s”) forwarded the Company’s exemption application to the

1 United States Environmental Protection Agency ("USEPA") for approval. That application is  
2 presently being processed. The Company has no problem filing the USEPA's final decision with  
3 the Commission, but it is highly unlikely that it will be obtained within the 51 days between the  
4 probable approval of the ROO and the recommended compliance date. Further, the Company  
5 probably will not be able to provide the Commission any more substantive information as to the  
6 status of the exemption application on May 1 than it did during the hearing on this matter. We  
7 would propose filing the final USEPA exemption resolution with the Commission within 30 days  
8 of the Company's receipt.

9 B. May 1, 2008 Bottled Water Tariff filing. There was no testimony on the  
10 likelihood of this bottled water requirement in the hearing. Nonetheless, and for the reasons  
11 stated above, in the event USEPA requires the Company to provide bottled water, the Company  
12 believes a Tariff filing within 45 days of the ADEQ order would be appropriate.

13 C. May 1, 2008 Arsenic Treatment Plant Financing Status. As indicated in the  
14 hearing, the Company is totally committed to the ATP. It has sufficient funds to construct the  
15 plant located at the first well, and the customer in the CC&N extension area will fund the second  
16 well's treatment plant. The Company can tell you today, as stated in the hearing, that it has no  
17 intention of borrowing money to fund these plants. Further, the Commission authorized Arsenic  
18 Impact Fee will help fund a portion of this construction. When the Developer expands the  
19 "camp" it will create the demand requiring use of the second well and the Developer will fund  
20 the ATP for that demand. The exact timing is unknown to the Company, but all parties  
21 recognize the requirement and the solution. The Company does not believe any compliance  
22 filing should be required for these known financing matters.

1 D. June 1, 2008 Approval to Construct for the ATP's. As stated, the Company  
2 believes the less than 90 day compliance report date is unattainable. A more realistic compliance  
3 date for this matter would be June 1, 2009.

4 E. June 1 2008 Approval to Construct the CC&N extension Plant. The Company has  
5 obtained this ATC and it was docketed on February 20, 2008.

6 F. December 31, 2008 Approval of Construction for the ATP and CC&N Extension  
7 Plant. The Commission has traditionally required docketing of either the Approval to Construct  
8 ("ATC") or the Approval of Construction ("AOC"), but not both. We believe that is appropriate  
9 in this instance as well. If the Commission believes both Approvals are necessary, the AOC date  
10 for the arsenic treatment plant, just eight months after the ATC date which is not yet been  
11 obtained, is an unrealistically short compliance time. The Company proposes the AOC filing  
12 date to be the required construction/inspection time of 12 months after the ATC, or June 1, 2010.

13 G. May 1, 2010 ADWR Letters. Based on the Administrative Law Judge's post-  
14 hearing Procedural Order, the Company provided a Response that explained the Company's  
15 modification and reporting requirements to the Arizona Department of Water Resources  
16 ("ADWR") regarding the Company's Designation of Assured Water Supply. The Staff filed its  
17 Response indicating two additional compliance recommendations in Staff Exhibit S-2. The  
18 Company supports those recommendations as now incorporated into FOF 52.

1  
2 WHEREFORE, Little Park respectfully requests that the Commission amend the ROO as  
3 set forth herein.

4 Respectfully submitted this 20<sup>th</sup> day of February, 2008.

5 SALLQUIST, DRUMMOND & O'CONNOR, P.C.

6 By: 

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9 Attorneys for Little Park Water Company, Inc.

1 The original and fifteen copies  
2 of the foregoing were filed  
3 this 20<sup>th</sup> day of February, 2008:

3 Docket Control  
4 Arizona Corporation Commission  
5 1200 W. Washington St.  
6 Phoenix, AZ 85007

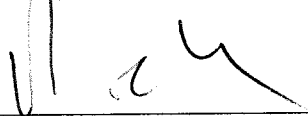
5 Copies of the foregoing were mailed  
6 this 20<sup>th</sup> day of February 2008 to:

7 Executive Director  
8 Arizona Corporation Commission  
9 1200 West Washington Street  
10 Phoenix, Arizona 85007

9 Hearing Division  
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